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December 18, 2018

**BY ECF**

Hon. P. Kevin Castel  
United States District Judge  
500 Pearl Street  
New York, New York 10007

RE: *U.S. Bank, N.A., as Trustee for the MARM 2006-OA2, MARM 2007-1 and MARM 2007-3 Trusts v. UBS Real Estate Securities Inc.*, 12-cv-7322 (PKC)

Dear Judge Castel:

On behalf of Defendant UBS Real Estate Securities Inc. ("UBS RESI") in the above-referenced action, we write in connection with the Court's October 25, 2018 Order requesting an update on the year-end status of the Trust Instruction Proceeding ("TIP") instituted by Plaintiff U.S. Bank (or, the "Trustee") in Minnesota state court ("October 25 Order," ECF No. 604).

As set forth in the parties' previous joint letter dated October 12, 2018 (ECF No. 603), U.S. Bank initiated a TIP on July 25, 2018, seeking court approval of the parties' settlement in this action (the "Approval Petition"). On October 18, 2018, the Minnesota court entered the proposed scheduling order submitted by the Trustee and certain certificateholder objectors (UBS RESI was and remains a non-party to those proceedings). The scheduling order requires fact and expert discovery to be completed by January 31, 2019 and April 26, 2019, respectively.

Upon receipt of the Court's October 25 Order, UBS RESI, together with Countrywide Home Loans, Inc. ("CHL"), immediately contacted the Trustee's

Hon. P. Kevin Castel  
December 18, 2018  
Page 2

counsel to discuss whether it would seek to shorten the discovery schedule set by the Minnesota court. After several weeks of conferring with its client, the Trustee's counsel took no position on the matter.

Accordingly, on December 7, 2018, UBS RESI and CHL wrote to the Minnesota court, provided a copy of Your Honor's October 25 Order, and respectfully requested a shortened discovery schedule. On December 12, 2018, the Honorable Judge Richard H. Kyle Jr. issued the enclosed letter order:

I received your letter dated December 7, 2018 requesting the court to shorten the discovery schedule. I understand your desire and Judge Castel's desire to wrap up your case and appreciate that the Ramsey County case and objections by beneficiaries to the Trustee receiving authority to settle your case is slowing things down. I too would like this case to be handled as expeditiously as possible. Unfortunately, the scheduling order that I issued is the best I can do considering many factors surrounding the discovery needed, the parties and my schedule. So while I would like to grant your wish, at this time it appears the current scheduling order is the best that I can do.

Separate and apart from the approval proceeding initiated by the Trustee, on September 7, 2018, Wells Fargo Bank, N.A., in its capacity as Trust Administrator for the Trusts, instituted a TIP for each of the three trusts seeking judicial instructions regarding the distribution of the settlement payment contemplated by the parties' settlement agreement (the "Distribution Petitions"). An initial hearing was held on November 6, 2018, at which all interested parties were instructed to submit a proposed briefing schedule on three distribution issues raised by the Trust Administrator. At that hearing, UBS RESI made clear that any briefing should proceed on an expedited basis, and emphasized the issuance of this Court's October 25 Order.

Following the November 6 hearing, UBS RESI and CHL urged the interested parties in the Distribution Proceedings to agree to an expedited briefing schedule whereby all briefing would be completed by no later than December 10, 2018 – a proposal that was opposed by the Trust Administrator and all objecting certificateholders. In an effort of compromise, UBS RESI later proposed a schedule whereby all briefing would be completed by no later than December 21, 2018. The Minnesota court issued an order setting January 18, 2019 as the deadline for the completion of all briefing. UBS RESI and CHL stand ready to resolve the Distribution Proceedings as expeditiously as possible.

Hon. P. Kevin Castel  
December 18, 2018  
Page 3

UBS RESI has argued before the Minnesota court that the Distribution Proceedings should have no impact on the Trustee's Approval Petition and, by extension, the timely resolution of the litigation before this Court. Certain objectors in the Distribution Proceedings, however, have asserted that issues raised in those proceedings must be resolved before the settlement is approved.

We are happy to provide copies of any of the above filings should the Court request, and we remain available to discuss any of the above. We will also keep the Court apprised of any changes to the schedules described above.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "RAF", with a long horizontal line extending to the right.

Robert A. Fumerton

Encl.

cc: All counsel (by ECF)